

INFORMATION NOTICE

WORKFORCE SERVICES

Number: WSIN08-30

Date: January 29, 2009
Expiration Date: 2/28/11
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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: IMPEDIMENTS TO WIA AND WAGNER-PEYSER ACT PROGRAM OPERATIONS

The purpose of this Workforce Services Information Notice is to solicit feedback regarding impediments to Workforce Investment Act (WIA) and Wagner-Peyser (W-P) Act program operations. The comments received in response to this Information Notice will be summarized, and recommendations will be shared with the Department of Labor in an attempt to offset identified program impediments.

Attached is a list of policies and procedures and statutory and regulatory requirements that the Workforce Services Branch Central Office has identified as barriers to the operation of the WIA and W-P Act programs. This list is currently prioritized based on the State's perspective, with the most significant issue being related to operating in a paperless environment. The Workforce Services Division (WSD) however, would like to incorporate the perspectives and priorities of the larger workforce development community, and therefore invites feedback on the attached list from a local perspective. The WSD welcomes comments on the program impediments included in the list thus far, as well as recommendations for additional policies and procedures or statutory and regulatory requirements that hinder the effective operation of the programs.

Please provide input concerning this matter by February 6, 2009.

Comments can be submitted through one of the following ways:

- 1) **Fax** — WSD, Attention: **Jennifer Araujo** at 916-651-9346
- 2) **E-Mail** — jennifer.araujo@edd.ca.gov (Include "WIA Impediments" in the subject line)
- 3) **Mail** — WSD / P.O. Box 826880 / MIC 69 / Sacramento, CA 94280-0001

/S/ BOB HERMSMEIER
Chief
Workforce Services Division

Attachment

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**Workforce Investment Act and Wagner-Peyser Act Program Impediments
Preliminary List Compiled by the California Employment Development Department
January 2009**

Purpose:

- Identify policies, procedures and regulatory requirements that impede the accomplishment of employment and training-related goals and outcomes at the federal, state and local levels;
- Recommend alternative approaches.

Main Tasks:

- Collaborate with Local Workforce Investment Area administrators and other local partners to gather input on policies, procedures, and regulatory requirements that impede the workforce development system's ability to accomplish program goals and to respond flexibly to changes in the external environment;
- Develop alternative recommendations, including potential waivers to applicable statutory and regulatory requirements;
- Prepare summary report of recommendations and conduct briefings with appropriate Department of Labor and other federal officials.

Policies, procedures and regulatory requirements that are perceived as impediments:

Policies and Procedures	Recommendation	Benefits/Goals Expected
(1) Existing law and current regulations require data validation based on review of source documentation. This is widely interpreted to imply that hardcopy documents must be kept by local program operators.	Modify the existing hardcopy data validation requirements to coincide with a paperless environment.	Allowing states to eliminate hardcopy data as it relates to source documentation will enable local areas to serve customers more efficiently, limit the risks of inappropriate release of confidential information and reduce storage needs.
(2) Existing federal guidance does not grant Governors the authority to develop specific cost sharing requirements for One-Stop partner operations. Costs are generally supported by Wagner-Peyser and Workforce Investment Act Funds.	Expand state authority to allow for greater flexibility of the design and methodology for cost sharing arrangements in One-Stop Career Center system.	Granting authority to states to establish cost sharing criteria will help states move toward developing equitable and amiable resource sharing agreements with all One-Stop partners
(3) California has been granted specific waivers for Workforce Investment Act program regulatory requirements to provide the State and local areas greater flexibly to respond to changes in the local workforce systems statewide.	Extend existing waivers beyond June 30, 2009 to provide maximum flexibility at the state and local level.	The five existing waivers due to expire on June 30, 2009 have provided local areas the flexibility to meet the needs of their respective local workforce system while enabling these local areas to meet established program performance goals.

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Policies and Procedures (continued)	Recommendation	Benefits/Goals Expected
(4) Under the federal rescissions of last year, Congress recaptured amounts based on unexpended balances and largely ignored the large of amounts of funds already obligated by States. Much of the congressional thinking and ultimate decision to rescind funds was influenced by the Department of Labor administration's perspective (which is not supported by WIA law) that States must spend funds and that obligation levels are not important to the financial analysis.	Although the Department of Labor administration claims that unspent WIA carryover funds justify the need for rescissions, this assessment is flawed. While it is true that they are unexpended at the year end, they are nonetheless obligated by the State and local areas in support of ongoing WIA activities. Under WIA, funds are available for multiple years and local areas are allowed to carry unused funds into the following year for the effective management of funds and long-term operation of the program.	By recognizing the importance of long-term program design and management of funds, the workforce development system limits its risk of future rescissions of funds and can continue its transformation of the public workforce development system.
(5) The Department of Labor currently manages National Emergency Grants using an incremental funding approach which calls for grantees to achieve a 70 percent expenditure level before being allowed to request their next increment of funding. By the time approval is granted on the next funding increment, the available grant funding has been exhausted and grant activities have been suspended due to the lack of funding.	Either remove this requirement or modify it to a lower threshold, e.g., 50 percent.	This would allow National Emergency Grant recipients to ensure continuity in their projects, resulting in more efficient grant operations and better service to program participants.

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Statutory & Regulatory	Recommendation	Benefits/Goals Expected
(6) Discontinue the issuance of yearly Workforce Investment Act allotments to states in two separate allotments, (July to September and October to June splits).	Issue the yearly Workforce Investment Act allotment to states at one time in June and in one sum.	Would allow states and local areas an additional three month access to funds, thereby enabling more clients to be served earlier in a fiscal year and would reduce the administrative burden associated with accountability for two pots of funding.
(7) Issuance of the Youth Training Provider List under WIA Section 129 (b) (2) (A).	Eliminate this requirement.	Youth training providers are a particular local prevue. Workforce Investment Act Section 123 provides sufficient standards for determination of youth providers. The subject requirement is an unnecessary administrative burden.
(8) Administration of the Eligible Training Provider List under Workforce Investment Act Section 122.	Allow the Governor more authority over the administration of the Eligible Training Provider List.	The requirement that local areas may add additional requirements creates an inequity across the State. Also, the provision for additional local requirements versus the requirement for a statewide versus a Local list causes confusion at the Local level. Allowing the Governor to standardize both the procedures for application and eligibility would prevent training providers from "shopping" for placement on the list, improve statewide control over the providers on the list, and eliminate some conflicts in the law and regulations.